

## Bylaws for a Sociocratic Organization

This example is for an organization is based on the bylaws of a membership advocacy organization incorporated in Washington DC. It may be adapted for associations, intentional communities, condominiums, cooperatives, etc. It includes the key clauses for establishing a sociocratic governance structure and consent as the basis of decision-making.

Depending on the organization, some clauses may not apply and others will need to be amplified or added. For example, your organization may be solely membership based or have no members. Or be a condominium homeowner associations or a cooperative food coop.

Changes to the sections unrelated to the governance structure should follow the laws of the jurisdiction and organizational preferences. Those concerning sociocratic governance and decision-making can almost always be adapted to local requirements. The most common requirements are for a Board of Directors with certain powers. This can be accommodated by stating that the Board of Directors identical with the Top Circle. The second usual requirement is for majority vote. Since the minimum majority vote is usually 51%, or 50% plus one when 50% produces a fraction, this is included in the requirement of consent which would be equal to 100%.

This document is for reference only and does not constitute legal advice. Because laws differ between jurisdictions, professional legal advice is required to ensure that all the legal requirements for your organization are included and properly worded.

It can be helpful, however, to draft your own bylaws for your lawyer and then add and modify as advised. This allows you to make many decisions before becoming overwhelmed with the legalese in

which many legal documents are written. If you are provided with sample documents, insist that they be written in Plain English. Plain English has been the standard for decades though many lawyers are still using standard legal phrases from the 19th century.

*Plain English for Lawyers* by Richard C. Wydick has been the accepted reference for over 25 years and maybe helpful.

(Appendix E is an example for incorporated or limited liability businesses.)

# BYLAWS FOR A SOCIOCRATIC ORGANIZATION

1. Description
  2. Principles of Governance
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- Addendum: Conflict of Interest and Confidentiality Agreement

## 1. DESCRIPTION

### 1.1 Name & Affiliations

The name of the organization is the [name]. The Organization is [description of the organization].

*Wherever "Organization" appears, substitute the name or shortened name of the association. A definition of terms should also be added. What does "member" mean for example.*

### 1.2 Legal Structure

The Organization is a nonprofit organization incorporated under the laws of [jurisdiction] exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including making distributions to similar organizations for the same purposes.

### 1.3 Vision, Mission, and Aim

The strategy and policies of the Organization will be directed toward realizing its vision, mission, and aim.

#### 1.3.1 Vision

The vision of the Organization, the dream that inspires it, is a [vision statement].

#### 1.3.2 Mission

The mission of the Organization, that will make the vision tangible, is to [statement of mission].

#### 1.3.2 Aim

The aim of the Organization, the products and services that realize its mission, shall be to [statement of aim].

### 1.4 Governance

The Organization shall be governed according to the principles of sociocratic governance as specified in §2, Sociocratic Governance.

## 2. SOCIOCRATIC GOVERNANCE

### 2.1 Definition

Sociocratic governance shall be defined as a method of governance that delegates policy making to all levels of the organization and establishes equivalence between its members within their domain of responsibility.

### 2.2 Benefits

The principles and methods of sociocratic governance develop:

- a. Strong leadership and clear delegation;
- b. Self-governance, self-organization, and cooperation;
- c. The ability to apply scientific theory and methods; and
- d. Responsibility for continuing profession development.

### 2.3 Governing Principles

Three principles are essential to sociocratic governance:

### 2.3.1 The Principle of Consent

Consent governs policy decision-making. Except as required by law and as otherwise stated in these bylaws, policy decisions shall be made with the consent of those they directly affect. Consent shall be defined as having “no reasoned objections” and as further defined in §§5.2, Consent and 4.2, Limitations of Consent.

Policy decisions are defined in §5.3, Definition of Policy.

### 2.3.2 The Principle of Circles

The Organization shall govern itself through a circular hierarchy of semi-autonomous, self-organizing circles that are responsible for policy decisions within their domain. Circles and the circular hierarchy are further defined and described in §3 Governance Structure.

### 2.3.3 The Principle of Double-Links

In the hierarchical structure of circles, a lower circle shall be double-linked to the next higher circle by the operations leader and one or more representatives of the lower circle as described in §§3, Governance Structure and 4.2, Circle Officers.

### 2.3.4 The Principle of Consent Elections

Except as required by law, circle members shall elect people to functions and tasks by consent as described in §2.1 Election Process.

## 3. GOVERNANCE STRUCTURE

### 3.1 A Circular Hierarchy of Circles

The governance of the Organization shall be structured as a circular hierarchy formed by double linked, semi-autonomous circles that reflect the operations of the organization. A circular hierarchy shall be defined as one in which each circle by means of representative participation in the next higher circle must consent to the policy decisions that affect its domain. Circles are thus linked in an apparently linear hierarchy but policy decision-making forms a feedback loop with each circle occupying a place

in the loop.

### 3.2 Circle Definition

A circle includes every person with a common aim who has a significant role in the operations of a department or unit of the Organization. Circle members meet with to make policy decisions within their domain of responsibility. Circle responsibilities are further defined in §§5.1, Domain of Decision-making, and 4, Circle Governance.

### 3.3 Circle Limitations

No circle's policies shall conflict with the law, these bylaws, the principles and methods of sociocratic governance as defined in these bylaws, or the policies of other circles.

### 3.4 Circle Membership

#### 3.4.1 Definition

Except for the Board of Directors as defined in §6 Board of Directors, a circle shall include all members of the organization who have significant roles in the circle's operations, whether they are paid or volunteer staff. Each circle shall define "significant roles" and shall be as inclusive as possible while ensuring (1) the stable functioning of the circle and (2) the ability of its members to deliberate with a consistent membership.

#### 3.4.2 Consent to Members

Circle members shall have the right to consent to new members.

#### 3.4.3 Equivalence

Within the circle meeting, the principle of consent shall be used to ensure that all circle members are equivalent in decision-making.

#### 3.4.4 Size

Circles shall be of a size that allows inclusive and efficient deliberations, generally no larger than 40 members with 20 being the optimal maximum.

### 3.5 Board of Directors or Top Circle

The Board of Directors shall be identical to the Top Circle, the highest circle in a sociocratically governed organization. Except as required by law or as otherwise stated in these bylaws the board shall function according to the provisions of §4 Circle Governance, and be subject to any provisions of these bylaws and all the Organization's rules and regulations.

Board-specific requirements for composition, powers, and responsibilities as required by the [state] are specified in §5.6 Decisions of the Board of Directors, and §6, Board of Directors.

### 3.6 General Management Circle

The general management or coordinating circle shall manage the operations of the Organization within the limits set by the Board. It shall consist of the managing director, and the operations leader and one or more representatives from each department circle.

### 3.7 Department Circles

Each department circle shall consist of the operations leader and members of the department circle and, if it has responsibility for other circles, the operations leaders and at least one representative of those circles.

### 3.8 Further Subdivision

The hierarchical pattern established in §§3.2-3.3, shall be repeated throughout the Organization.

### 3.9 Circle Names

Circle names are for illustration only and may be changed as desired and appropriate as long as the hierarchical chain of leadership, representation, and delegation is clear.

## 4. CIRCLE GOVERNANCE

### 4.1 Circle Responsibilities

Each circle, within the limits set by the next higher circle, shall:

- a. Determine and control its own policies to achieve its aim as

defined by the next higher circle

- b. Assign the leading, doing, and measuring of circle roles and responsibilities to its own members to achieve its aim and execute its own policies
- c. Maintain a record keeping system of policy decisions and other information as specified in §4.4 Circle Record Keeping
- d. Assume responsibility for the professional development of the circle and its members
- e. Elect one or more representatives from its members to serve as the circle's representative(s) to the next higher circle
  - i. Decide how to allocate the resources included in its budget, including the hiring and firing of personnel
- f. Create lower circles as it determines appropriate, assigning an aim and allocating part of its resources to those circles
- g. With the participation of the representative(s) of that circle, elect the operations leader of the next lower circle,
- h. Decide whether lower circles shall be subdivided, combined, or dissolved

#### **4.2 Limitations of Consent**

The principle of consent shall not apply to all circle members in two classes of circle decisions:

##### **4.2.1 Circle Elimination or Redefinition**

The operations leader and representative(s) of the lower circle may participate in any discussion of dissolution or restructuring of their circle but their consent shall not be required for the higher circle to make a decision.

##### **4.2.2 Personnel Decisions**

A circle member or members about whom decisions are being made may participate in any discussions but shall be excluded from participation in consent decisions related to their own benefits of employment, compensation, or service.

#### **4.3 Circle Officers**

Except for the board of directors as defined in §6.4, Executive Officers, each circle shall have the following officers:



**a. Operations Leader**

The operations leader shall be elected by the next higher circle to manage the day-to-day operations within the lower circle's domain. The operations leader shall be a member of both the higher and lower circles but shall not serve as the representative of the lower circle.

**b. Facilitator**

A facilitator shall be elected by each circle to conduct circle meetings, provide leadership in decision-making, and ensure that the circle is functioning according to the principles and methods of sociocratic governance.

**c. Executive Secretary**

Each circle shall elect an administrative secretary to manage the affairs of the circle and perform tasks related to its functioning:

1. Arranging and announcing circle meetings,
2. Preparing the agenda in consultation with the facilitator and operations leader, and other circle members
3. Distributing study materials and proposals
4. Taking and distributing minutes
5. Performing any other tasks assigned by the circle

**d. Logbook Keeper**

A logbook keeper shall be elected by the circle to maintain the circle logbook as defined in §4.4, Circle Record Keeping. Depending on the size of the circle and the complexity of its work, the office of the logbook keeper may be combined with that of the administrative secretary.

**e. Representative(s)**

One or more representatives, other than the operations leader, shall be elected by the circle to participate in the next higher circle. The circle representative(s) participates as a full member in both the lower and higher circles but cannot be the same person as the operations leader. Otherwise, any

member may fill more than one office and offices may be combined.

#### 4.3 Circle Meetings

All circles shall meet at least quarterly to review their policies, evaluate their effectiveness, adopt new policies if necessary, and review development plans and progress.

#### 4.4 Circle Record Keeping

Each circle shall create and maintain a logbook that includes but is not limited to:

- a. Organization's vision, mission, and aim statements
- b. Organization's bylaws, rules, and procedures
- c. Organization's strategic plan
- d. Diagram of the Organization's circle structure
- e. Budgets of both the Organization and the circle
- f. Circle aims
- f. Circle policy decisions and meeting notes
- e. Circle development plans
- f. Individual members' aims, roles and responsibilities, and development plans
- f. Any other documents that record the business of the Circle

Circle members shall have a copy or easy access to a copy of the circle logbook. Circle members shall maintain their personal logbook with their aims, roles and responsibilities, development plans, and any other documents related to their individual roles and responsibilities as circle members.

### 5. DECISION-MAKING

#### 5.1 Aim & Domain of Decision-Making

A circle's aim shall be determined by the next higher circle and defines the circle's domain of responsibility. In order to accomplish their aim, circles shall be responsible for making the policy decisions governing operations within their domain.

## 5.2 Consent

The principle of consent shall be applied to all circle decisions. Objections to a proposed decision must be

- a. based on the decision's adverse affect on the circle member's ability to fulfill their roles and responsibilities in achieving the aim of the circle, and
- b. reasoned, meaning that reasons for the objection must be explained clearly enough for the objection to be resolved.

For all or some decisions, other methods of decision-making can be used by the circle if the decision is made by consent and like all policy decisions reviewed on a regular basis.

## 5.3 Definition of Policy

Policy decisions govern the day-to-day operations activities of the Organization and include, but are not limited to:

- a. Setting aims
- b. Defining the scope of work
- c. Designing the work process
- d. Allocating resources
- e. Delegating functions and tasks
- f. Evaluating group and individual performance
- g. Determining compensation
- h. Planning professional development

## 5.4 Operations Decisions

Day-to-day operations in a circle's domain shall be governed by the circle's policy decisions and directed by the operations leader. A circle shall establish policies that determine which methods of decision-making will govern operations decisions. These methods may include autocratic decisions by the operations leader.

## 5.5 Operations Decisions without a Policy

If a necessary operations decision is not covered by an existing policy, the operations leader shall make the decision and request that it be reviewed at the next circle meeting or at a special circle meeting called for this purpose as described in §8. Meetings.

The operations leader, or other person acting as an operations leader, shall determine at his or her sole discretion that such a decision is necessary.

### 5.6 Decisions of the Board of Directors

Decisions of the board shall also be made by consent, and consent, as a higher standard than majority vote, shall be considered satisfaction of the legal requirement that board decisions be made by majority vote of the directors present and eligible to vote.

### 5.7 Failure to Reach Consent

If after all options have been exhausted, a circle, other than the board, cannot achieve consent on a proposed action, the decision shall be referred to the next higher circle.

If after all options have been exhausted, the board cannot achieve consent on a proposed action, the decision shall be referred to the appropriate expert director, and if necessary, that director's organization.

### 5.8 Proxies

The right to participate in decision-making or any other action of any circle, including the board, may not be delegated or exercised by proxy unless required by law.

## 6. BOARD OF DIRECTORS

### 6.1 Authority

Within the requirements of the laws of [jurisdiction], the board, as the top circle of the Organization, shall manage and direct the business of the Organization with full power to engage in any lawful act unless otherwise limited by these bylaws.

### 6.2 Responsibilities

The board is responsible for ensuring that the Organization, as a non-profit organization, is acting in accordance with the public trust and any laws that govern non-profit corporations. Other responsibilities include, but are not limited to:

- a. Setting and overseeing the execution of a strategic plan,

- b. Ensuring fiscal responsibility,
- c. Maintaining long-term viability,
- d. Generating new ideas and directions, and
- e. Maintaining connections with external persons, organizations, agencies, and any other bodies necessary to the development and functioning of the Organization.

### 6.3 Composition

The Board shall include:

- a. The managing director (the chief executive officer)
- b. One or more representatives of the general management circle
- c. Three or more expert directors as defined in §6.5 Expert Directors
- d. Other directors as determined by the board

### 6.4 Executive Officers

#### 6.4.1 Number and Titles

As required by law, the board shall elect from its members a minimum of three executive officers: a president, executive secretary, and treasurer. In accordance with the law and at its own discretion, the board may use other names to designate the executive officers.

#### 6.4.2 President

The president shall:

- a. Oversee board compliance with the law, the Articles of Incorporation, these bylaws, the principles and methods of sociocratic governance, and the board's own decisions
- b. Ensure that the board functions as a circle in accordance with the provisions of §4, Circle Governance, including ongoing professional development
- c. Execute all instruments requiring a signature on behalf of the Organization
- d. Serve as or designate a public spokesperson for the Organization,

- e. Perform other duties necessary to the office or as required by the board, and
- f. Perform the duties of other executive officers if they are unable or unwilling to complete them as stated in these bylaws or at the direction of the board

#### **6.4.3 Executive Secretary of the Board**

The executive secretary of the board shall perform all the functions specified for executive secretaries of all circles in §4.3.b Executive Secretary.

In addition, the executive secretary of the board shall:

- a. Give, or cause to be given, any notices required by law or by these bylaws
- b. Assume responsibility for corporate and board circle records
- c. Maintain custody of the seal of the organization, if any, and validate documents by affixing the seal as authorized by the board or the president
- d. Perform the duties of the president if he or she is unable or unwilling to complete them as stated in these bylaws or at the direction of the board
- e. Perform such other duties as may be assigned by the board or the president

#### **6.4.5 Treasurer**

The treasurer shall:

- a. Oversee financial affairs
- b. Have custody of all funds and securities until otherwise assigned
- c. Establish or cause to be established appropriate financial records, accounts, and practices to ensure judicious use and care
- d. Prepare or cause to be prepared budgets, fundraising plans, and financial reports

- e. Make the financial records available in accessible format in accordance with the practice of sociocratic organizations for transparency as required by §11 Financial Practices
- f. Perform the duties of the executive secretary if he or she is unable or unwilling to perform them
- g. Perform other duties as required by the board

## 6.5 Expert Directors

A minimum of three (3) directors shall be elected by the board to provide expertise in specific areas and to serve as independent connections to the larger social, financial, governmental, and sociocratic environment.

### 6.5.1 Sociocratic Expert Director

Unless none are available to serve, one or more of the expert directors with expertise related to the application and teaching of the principles and methods of sociocracy.

### 6.5.2 Other Expert Directors

To the extent possible, other areas of expertise shall include:

- a. Education of the public on issues related to governance
- b. Financial management of non-profit organizations
- c. Fundraising and development
- d. Legal affairs
- e. Social and environmental concerns.

Expert directors may have more than one designated area of expertise as determined by the board. Expert directors are full members of the board and participate fully in decision-making and the affairs of the board.

## 6.6 Accountability

Each director shall exercise independent judgment in good faith and in the best interests of the organization with the care of an ordinarily prudent person under similar circumstances.

## 6.7 Compensation

With the exception of the managing director, the general management circle representatives if employed by the

organization, and any expert directors who are otherwise providing contracted professional services to the organization, directors shall not receive compensation for their services, although they may be reimbursed for ordinary and necessary expenses incurred in fulfilling their responsibilities.

### **6.8 Conflict of Interest and Confidentiality**

Each director shall sign and the secretary shall retain or cause to be retained in the files of the organization a copy of the conflict of interest and confidentiality policy.

### **6.9 Transparency**

Whenever possible, the board shall ensure compliance with the practice of sociocratic organizations to make records of all transactions transparent and available to the members, staff, and other interested parties.

In order to address a reasoned objection to any information being classified confidential, the board shall establish policies providing for examination that protects the information and makes it available for review.

## **7. ELECTIONS & TERMS**

### **7.1 Election Process**

Board members, board officers, and circle officers shall be elected applying the principle of consent elections as required in §2 The Principle of Consent Elections. Elections may be conducted as an item of business on any meeting agenda or in a meeting called for this purpose. The process shall include but is not limited to:

- a. Nominations with rationale
- b. Discussion and resolution of objections, if necessary
- c. Consent

The facilitator or another person elected for this purpose shall conduct the process and may propose what appears to be the best choice given the reasons presented in the nominations and discussion. Consent to the facilitator's proposal must be confirmed.



## 7.2 Date of Elections

Election of directors, executive officers, and other circle officers shall be conducted at the circle's annual meeting, as specified in §8.2 Annual Meeting, and as necessary to fill vacant positions.

## 7.3 Terms of Office

### 7.3.1 Incorporating Directors

Incorporating directors shall begin their terms on the date of incorporation and continue until the first annual meeting of the board.

### 7.3.2 Directors and Officers

Except as limited by §7.6, Completion of Terms, directors and circle officers shall be elected for one-year terms in the first annual meeting of each circle and annually thereafter, and shall be eligible for re-election.

## 7.4 Resignation

Resignations must be in writing and received by the circle secretary.

## 7.5 Removal

A director or circle officer may be removed on the decision of the circle without his or her consent as required by §4.2 Limitations of Consent.

Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election shall not itself create contract rights.

## 7.6 Completion of Terms

### 7.6.1 Directors

As required by law, any director elected to complete the term of a director who has left the board shall be elected to serve the remainder of that term only.

### 7.6.2 Circle Officers

Circles other than the board may establish their own rules for the completion of terms including electing for the remainder

of the term plus one year.

### 7.6.3 Vacant Positions

The executive officers of the board, as required by law, and other circle officers shall be replaced as soon as possible. Other than officers, circles may decide not to fill a vacant position.

## 8. MEETINGS

### 8.1 Annual Meeting

One circle meeting a year shall be designated the annual meeting for purposes of conducting elections as specified in §7 Elections & Terms. Other business may also be conducted at this meeting as determined by the circle.

*[An annual meeting of stakeholders is required by many jurisdictions for both for-profit and non-profit corporations, membership organizations, condominiums, etc.]*

### 8.2 Circle Meetings

Circles shall meet at least quarterly at an agreed upon time and place including by any telephonic, digital electronic means, or any other method that allows circle members to deliberate, resolve objections, and consent to decisions.

### 8.3 Special Circle Meetings

Special meetings may be held at the request of any circle member at a time convenient to a sufficient number of other circle members to constitute a quorum, if required by the circle's policies. Such request should be made to the executive secretary of the circle or as otherwise determined by the circle.

### 8.4 Notice

At least seven (7) days advance notice must be given to each circle member for any meeting in which decisions or other actions are to be made, subject to §8.5, Waiver of Notice. Methods of notification include a note in the records of the last circle meeting; notification by mail, facsimile, telephonic, or digital electronic; or any other method as determined by the

circle.

When possible, such notice shall include proposed agenda items and any supporting documents.

### **8.5 Waiver of Notice**

The circle may determine in its policies when notice of meetings, including special meetings, may be waived.

Presence at a meeting or failure to pay attention to methods of communication established by the circle shall constitute waiver of notice.

### **8.6 Quorum**

Members present by telephonic or other means that allow them to participate in the discussion, resolve objections, and consent or vote, as appropriate, shall be included in the quorum.

#### **8.6.1 Board of Directors**

As required by law, unless written consent is given by absent members and is presented to the secretary before the meeting, one-third of all board members must be present in order for business to be conducted or actions taken. In no case, however, shall business be conducted or actions taken with less than three directors participating.

#### **8.6.2 Circles other than the Board**

Circles other than the board may determine their own quorums for all meetings, for a specific meeting, or for a class of meetings.

### **8.5 Actions without a Meeting**

#### **8.5.1 Board of Directors**

Any action required or permitted at a meeting of the board may be taken without a meeting if written consent is granted by all directors entitled to vote or consent as appropriate. Written consent may include notices by mail, facsimile, electronic means, or other methods as determined by the Board and such notices shall be filed with the minutes of the board.

By law consent to an action without a meeting shall have the same force and effect as consent or unanimous vote given in a meeting.

### 8.5.2 Other Circles

Any action required or permitted at a circle meeting may be taken without a meeting by consent of all members as specified in this section for the board of directors or according to any process set by circle policy.

## 9. MEMBERS

*[For membership organizations this section should define members and their privileges and obligations.]*

### 9.1 Classes

The board shall establish at least one class of membership in the Organization.

### 9.2 Non-Voting

All members will be non-voting members because conducting meaningful elections or other decision-making processes in a diverse and geographically distributed membership would be impractical.

### 9.3. Participation in Governance

The circles shall establish appropriate means by which members who are participating in the work of the Organization can also participate in the policy-making related to that work.

## 10. ADVISORY COUNCILS

The Board may establish one or more advisory councils in order to achieve the purposes of the Organization.

## 11. FINANCIAL PRACTICES

### 11.1 Financial Practices

The financial practices of the Organization shall follow the highest standards of accountability and transparency. Unless

doing so would reveal personal information of employees, donors, or other persons; or otherwise compromise the stability of the Organization, financial records will be available to all members and employees of the Organization, and to other such persons as the board determines.

#### **11.2 Use of Funds**

Organization funds shall only be used for activities related to the Organization's mission as stated in § 1.3, Mission, and exclusively for charitable and educational purposes.

#### **11.3 Fiscal Year**

The fiscal year shall begin on the first day of January and end on the last day of December unless otherwise determined by the board.

#### **11.4 Compensation**

The Organization shall follow the sociocratic practice of fixed and variable compensation for all employees.

### **12. ANNUAL REPORT**

The Organization shall publish, in any media, an annual report that shall include, but not be limited to, a summary of the Organization's activities and a financial report for the previous year. The annual report shall be available to the public.

### **13. INDEMNIFICATION**

#### **13.1 Rights**

Except as otherwise limited by law and these bylaws, each director, employee, or volunteer of the Organization shall be indemnified by the Organization and shall not be held liable for damages or the costs of their defense for any acts or omissions as a result of providing services or performing duties on behalf of the Organization.

These rights of indemnification shall, in the case of the death of a Director, employee, or volunteer exist to the benefit of his or her heirs and estate.

### 13.2 Limitations

Indemnification as specified in § 13.1, Rights, shall not include:

- a. Any act or omission that is not reasonably included in the services or duties requested or approved by the Organization
- b. The willful misconduct of the director, employee, or volunteer
- c. A crime, unless the director, employee, or volunteer had reasonable cause to believe that the act was lawful
- d. A transaction that resulted in an improper personal benefit of money, property, or service to the director, employee, or volunteer
- e. Any act or omission that is not in good faith and is beyond the scope of authority of the Organization

### 13.3 Professional Services

With the exception of expert directors functioning in their roles as directors, the limitation of liability in § 13.2 Limitations, shall not apply to any licensed professional employed by the Organization in his or her professional capacity.

## 14. AMENDMENTS

These Bylaws may be altered or repealed and new bylaws adopted by the board with a minimum of thirty (30) days notice to all circle members of intent to amend, including the wording of such amendment. The purpose of such notice shall be to allow circles to call special meetings, if they consider it necessary, to deliberate on such amendment and to select a representative(s) to participate in the deliberations in the next higher circle.

No amendment shall be made that would adversely affect the Organization's qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, (or any successor provision).

## 15. DISSOLUTION

### 15.1 Notice

Acting in accordance with the laws of the District of Columbia, the Organization may be dissolved by the board with a minimum

of thirty (30) days notice to all circle members of the intent to dissolve, including the reasons for the proposed dissolution. The purpose of such notice shall be to allow all levels of the circle structure time to call special meetings, if they consider it necessary, to deliberate on the proposal and to select a representative(s) to participate in the deliberations of the next higher circle.

#### **15.2 Distribution of Assets**

On dissolution of the Organization, any remaining assets shall be distributed to one or more charitable, educational, scientific, or philanthropic organizations qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Such organization will be recommended by members, employees, and volunteers of the Organization and determined by the board.

**ADOPTED [date]**

**ADDENDUM****CONFLICT OF INTEREST  
AND CONFIDENTIALITY POLICY**

Each Director shall sign and the secretary shall retain in the files of the Organization a copy of this conflict of interest and confidentiality policy:

As Director of the Organization, I realize that I owe duties of care, loyalty, and obedience to the Organization so that:

1. To avoid conflicts of interest, I agree to disclose to the board any situations in which it might appear that I have conflicting duties to other organizations or persons in which my allegiance might be split between the Organization and other personal, professional, business, or volunteer positions or responsibilities. Such a conflict may warrant withdrawal from debate, vote, or, if necessary to protect against legal liability, my position with the Organization.
2. I understand that I will have access to confidential information about the Organization, its programs, activities, employees, and transactions, and I agree to maintain the confidentiality of that information where unwarranted disclosure could jeopardize the success of the endeavor or damage the Organization.

**Signature:**

**Date:**

**Printed Name:**

**Notary:**